

Midsize Carriers' Phantom Traffic Proposal

- The nature of the problem is not disputed
 - Traffic is being intentionally or inadvertently stripped of standard information identifying the originating carrier and location
 - This information is essential to proper billing for termination and transiting
 - This information also helps ensure traffic is routed properly, and billed properly
 - Revenues are not recoverable as a result
- The FCC has a fundamental interest in “truth in labeling”
 - To protect consumers
 - For competitive neutrality
 - As a necessary tool for enforcement of inter-carrier compensation rules
- The need for quick resolution also is not in dispute
 - Most parties agree that solving Phantom Traffic problems is a necessary first step in any inter-carrier compensation reform
 - This is a growing problem, as new entities send more traffic to PSTN
- The Midsize Carriers have proposed a simple set of non-controversial rules
 - All originating carriers should identify the calling party
 - All originating carriers should identify the location where the call originated
 - No carrier should delete or modify information received from a prior carrier
 - All carriers should properly route traffic
 - Intermediate carriers should provide proper billing records
 - The FCC should enforce these rules by quickly investigating complaints
- Clear and fair rules, uniformly enforced, will help solve phantom traffic problems
 - Most carriers are complying with these requirements today
 - Some new competitors, such as VOIP providers, would be covered by these rules, but they have the technical capability to comply
 - In case of technical infeasibility, a carrier may seek a waiver of the rule
 - These rules won't solve every type of phantom traffic but will help carriers capture the bulk of minutes that are unbillable today
- Federal rules will not involve the FCC in enforcement of intrastate charges